

## **CHAPTER 404**

### **DIRECT PROCUREMENT METHOD**

#### **A. PURPOSE AND SCOPE**

This chapter provides guidance for the preparation and shipment by the DPM method, and provides instructions for the preparation and marking of DPM shipments and procurement of DPM services. This chapter applies to all DPM HHG and UB shipments when transportation services are acquired on the PPGBL/BL or other shipping document.

#### **B. DPM SERVICES**

When the DPM is used, generally the linehaul transportation service is provided by common carriers of freight. Approval by HQ MTMC is not required of commercial contractor providing DPM transportation services. Required materials (including containers) and services for the preparation, storage, and movement of DPM shipments are acquired by the contract. See Paragraph G for contracting procedures.

#### **C. ROUTING BY THE PPSO**

The PPSO determines the mode of transportation and the origin freight carrier for the movement of DPM shipments.

#### **D. USE OF DPM AIR MODE FOR INTERNATIONAL HHGS**

Prior to moving DPM shipments overseas, TOs will have Service approval IAW DOD component publications.

#### **E. VALUATION OF SHIPMENTS**

Generally, the maximum released valuation applicable to the lowest rate or rating published by freight carriers will be used for DPM shipments. Consideration will be given to use another code/mode of service when a member/employee requests a valuation higher than that offered by the freight carrier.

#### **F. CONTAINERS**

Authorized containers, including overflow and oversize containers, will be constructed as specified in the technical provisions of the Performance Work Statement (PWS) for Packing, Containerization, and Local Drayage of DPM Personal Property Shipments (Appendix G). The policy on the use of overflow and oversize containers is also set forth in this regulation.

#### **G. PROCEDURES**

1. DPM Contracts. Packing and containerization services will be acquired by contract. The contracting format in Appendix G is mandatory. The PWS or the technical provisions for Packing, Containerization, and Local Drayage of DPM Personal Property Shipments (Appendix

G) and the Bid Schedules or items to be ordered will be used for developing requirements in acquiring packing and containerization services. The contractual clauses used in the solicitation, award, and administration of the contract are contained in the Federal Acquisition Regulation (FAR) and the Department of Defense Federal Acquisition Regulation Supplement (DFARS). Annual estimates need to be annotated on the Bid Schedules and a copy of Appendix G provided to the contracting office for their coordination and preparation of the solicitation package.

- a. Inspection of shipments will be performed by using DD Form 2773, Report of Contractor Services, (Figure 404-1. Unsatisfactory services will be indicated by citing specific paragraphs or areas in the PWS and annotating this on DD Form 2772, Contract Discrepancy Report (CDR), Figure 404-2. When completed, the Contract Discrepancy Report will be forwarded to the contracting office for action. The contracting officer or COR will take action (set-off deduction, cure letter), against the contractor IAW FAR Clause 52.246-4, Inspection of Services-Fixed-Price.
  - b. Problems encountered in executing the PWS contract will be resolved by the COR, with the assistance of the contracting officer.
  - c. The PPSO will base contractual requirements on past experience and estimated future needs. The PPSO will establish areas of performance for contracting purposes. Both population density and traffic volume will be considered in the establishment of areas of performance.
2. PWS Contract Administration. The TO is responsible for the routing and release of shipments and for arranging delivery to the linehaul carrier. Delivery to the linehaul carrier can be by common carrier pickup at the contractor's facility or by local drayage by the contractor to the carrier's terminal. The TO will ensure the contractor meets all requirements of the PWS, and is also responsible for maintaining accurate DPM contract data in TOPS. If the contractor fails to comply with the terms of the PWS, the PPSO will document deficiencies and follow procedures outlined in Paragraph G.1.a.
  3. Weight Data for DPM UB Shipments. The TO/PPSO must receive the actual pieces weight and cube prior to printing the PPGBL/BL. The contractor must provide the required information to the TO/PPSO within three working days after pickup.
  4. Consignment.
    - a. DPM shipments will be consigned IAW the PPCIG.
    - b. When the CONUS destination is not known for a shipment from overseas, the shipment will be consigned to the designated storage facilities as contained in the PPCIG in the CONUS. The statement "Hold for Storage in Transit" or "Hold for Nontemporary Storage" will be stenciled on each container after the consignment data. In such cases, the member/employee at the time application for shipment is made, will provide the origin PPSO a leave or contact address in the space provided on the DD Form 1299 (Figure 401-1). The origin PPSO will forward this information to the responsible storage facility identified at designated ports. The origin PPSO will instruct the member/employee to furnish disposition instructions to the designated storage facilities, either directly or through the most convenient PPSO, upon determination of the final destination.
    - c. Shipments moving by military or commercial air will not be consigned for placement in a "hold" status, except when AMC TP-4 tariff rates apply or when air is the only available

shipping method between the origin overseas area and the CONUS. In those cases, the DPM will be used to make delivery to the nearest designated storage facilities. For shipments arriving at East/West Coast ports, refer to the CONUS PPCIG for the responsible facility.

5. Documentation for DPM Shipments Entering the DTS.

- a. If documentation for DPM shipments is unavailable through TOPS, the PPSO will assign a TCN to each DPM personal property shipment entering the DTS. The TCN will be developed IAW this Regulation Part II, Cargo Movement, and annotated on the PPGBL/BL, freight warrant, or other transportation acquisition document. When a shipment requires more than one transportation acquisition document, the same TCN will be annotated on each document. The PPSO will use the date of pickup from the member/employee as the Julian date in the construction of the TCN.
- b. The PPGBL/BL for UB shipments will be prepared after the TO/PPSO has received and input the actual weight and cube from the contractor into TOPS. The TO/PPSO will then provide the PPGBL/BL to the contractor to give to the carrier upon pickup of the shipment from the contractor facility or will provide the PPGBL/BL directly to the carrier picking up the shipment.
- c. The TCMD will be prepared for all DPM personal property shipments entering the DTS.
- d. After the TCMD is assembled, the shipper will offer the shipment for clearance before making the shipment. A clearance is required for all DPM personal property shipments entering the DTS. The shipper clears a DPM shipment by sending ATCMD data to the clearance authority.
- e. DPM personal property shipments are considered cleared if the clearance authority has not challenged it by the hours/day entered in the ATCMD shipped field.
- f. One copy of the PPGBL/BL or other transportation acquisition document, annotated with the TCN, and a properly completed manual TCMD, together with other required documents, will be placed in a waterproof pouch on the number one container of the shipment. One copy of the inventory and one copy of the packing list will be placed in an envelope inside the number one container, in an easily accessible position. For shipments released from NTS, the exception sheet will also be included. Specific detail on the preparation and usage of TCMDs, TCNs, data elements, prime documents, and trailer cards are contained in this Regulation, Part II, Cargo Movement.
- g. For those shipments entering the DTS at DOD controlled aerial and water ports, a two-dimensional and linear bar coded MSL, prepared IAW Chapter 403, Paragraph C, will be prepared and affixed to each shipment piece.
- h. The origin PPSO will mail one copy each of DD Form 1299, member's/employee's orders, transportation document, and PPGBL/BL to the destination PPSO, who has final delivery responsibility.

REPORT OF CONTRACTOR SERVICES					
<b>SECTION I</b>					
1. INSPECTING ACTIVITY		2. CONTRACTOR NAME		3. CONTRACT NUMBER	4. ORDER NUMBER
5. SHIPMENT INSPECTED <i>(X as applicable)</i>				6a. DATE (YYYYMMDD)	b. TIME
<input type="checkbox"/> RESIDENCE	<input type="checkbox"/> CONTRACTOR'S FACILITY	<input type="checkbox"/> OTHER			
7a. PROPERTY OWNER NAME <i>(Last, First, Middle Initial)</i>			8. PICKUP/DELIVERY ADDRESS <i>(Street, Apartment Number, City, State, ZIP Code)</i>		
b. RANK/GRADE		c. SSN			
<b>INSTRUCTIONS:</b> Information in Section I above is obtained from DD Form 1299. Section II will be completed during the inspection of services. Place an "A" in the box when the service is acceptable or a "U" when the service is unacceptable. When the service is not required, place an "NA" in the box. The appropriate contract paragraph number must be placed in the column marked "REFERENCE" when the service is unacceptable.					
<b>SECTION II</b>					
9. SERVICE		10. REFERENCE		11. SCHEDULES	
				I	II
a. Did the carrier perform a premove survey, if required?					
b. Did the contractor weigh the shipment in accordance with prescribed procedures?					
c. Was PBP&E properly weighed?					
d. Did the contractor reweigh in accordance with prescribed procedures?					
e. Was shipment picked up within agreed times on the agreed date?					
f. Was shipment delivered within agreed times on the agreed date?					
g. Do packing materials meet specifications?					
h. Were proper packing methods used?					
i. Was inventory properly prepared?					
j. Were appliances properly serviced as required?					
k. Were appliances properly unserviced as required?					
l. Were proper materials used to service appliances?					
m. Were articles properly containerized?					
n. Were articles properly loaded in the van?					
o. Were containers properly marked?					
p. Were containers properly remarked, when required?					
q. Were proper storage services provided?					
r. Were unloading services performed and were articles placed so they were readily accessible to the member?					
s. Were unpacking services performed?					
t. Was debris removed from residence?					
u. Was loss and damage recorded on a DD Form 1840 at the time of delivery?					
v. Were weight tickets, GBL, and packing lists properly completed?					
w. Were documents returned to the ITO within the required time frame?					
12. REMARKS					
13. NAME OF CONTRACTOR NOTIFIED OF DISCREPANCIES <i>(Last, First, Middle Initial)</i>			14. SIGNATURE OF CONTRACTOR NOTIFIED OF DISCREPANCIES		
15. NAME OF INSPECTING OFFICIAL <i>(Last, First, Middle Initial)</i>		16. SIGNATURE OF INSPECTING OFFICIAL		17. DATE (YYYYMMDD)	

DD FORM 2773, SEP 1998 (EG)

REPLACES MT FORM 360-R (TEST), WHICH IS OBSOLETE.

WHS/DIOR, Oct 98

**Figure 404-1. DD Form 2773, Report of Contractor Services**

CONTRACT DISCREPANCY REPORT				
1. CONTRACT NUMBER		2. REPORT NUMBER FOR THIS DISCREPANCY		
3. TO <i>(Contractor and Manager's Name)</i>		4. FROM <i>(Name of QAE)</i>		
5. DATES <i>(YYYYMMDD)</i>				
a. PREPARED		b. RETURNED BY CONTRACTOR		c. ACTION COMPLETE
6. DISCREPANCY OR PROBLEM <i>(Describe in detail. Include reference to PWS Directive; attach continuation sheet if necessary.)</i>				
7. SIGNATURE OF CONTRACTING OFFICER				
8a. TO <i>(Contracting Officer)</i>		b. FROM <i>(Contractor)</i>		
9. CONTRACTOR RESPONSE AS TO CAUSE, CORRECTIVE ACTION AND ACTIONS TO PREVENT RECURRENCE. <i>(Cite applicable Q.C. program procedures or new Q.C. procedures. Attach continuation sheet(s) if necessary.)</i>				
10. SIGNATURE OF CONTRACTOR REPRESENTATIVE				b. DATE <i>(YYYYMMDD)</i>
11. GOVERNMENT EVALUATION <i>(Acceptance, partial acceptance, reflection. Attach continuation sheet(s) if necessary)</i>				
12. GOVERNMENT ACTIONS <i>(Reduced payment, cure notice, show cause, other)</i>				
13. CLOSE OUT				
	NAME (1)	TITLE (2)	SIGNATURE (3)	DATE <i>(YYYYMMDD)</i> (4)
a. CONTRACTOR NOTIFIED				
b. QAE				
c. ACO				

DD FORM 2772, SEP 1998 (EG)

REPLACES MT FORM 352-R, WHICH IS OBSOLETE.

Designed using Perform Pro, WHS/DIOR, Sep 98

**Figure 404-2. DD Form 2772, Contract Discrepancy Report**

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